



Press Release

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For immediate release

The Federal Open Market Committee decided today to keep its target for the federal funds rate unchanged at 1 3/4 percent.

The information that has become available since the last meeting of the Committee confirms that economic activity has been receiving considerable upward impetus from a marked swing in inventory investment. Nonetheless, the degree of the strengthening in final demand over coming quarters, an essential element in sustained economic expansion, is still uncertain.

In these circumstances, although the stance of monetary policy is currently accommodative, the Committee believes that, for the foreseeable future, against the background of its long run goals of price stability and sustainable economic growth and of the information currently available, the risks are balanced with respect to the prospects for both goals.

Voting for the FOMC monetary policy action were: Alan Greenspan, Chairman; William J. McDonough, Vice Chairman; Susan S. Bies; Roger W. Ferguson, Jr.; Edward M. Gramlich; Jerry L. Jordan; Robert D. McTeer, Jr.; Mark W. Olson; Anthony M. Santomero, and Gary H. Stern.

Voting against the action: none.

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